

Committee: Human Services
Re: Medicaid Reimbursement for Nursing Homes
Interim Charges 2.2-2.5, 4, 5 and other topics

Honorable James B. Frank and Committee Members,

Thank you for the opportunity to submit this written testimony to the Human Services Committee regarding adequacy of Medicaid reimbursement for nursing home facilities.

The elected membership of the TSHL held its 2020 TSHL Legislative Session, July 27 – 29th. During the 2020 TSHL Legislative Session, we adopted Resolution R018, urging the 87th Texas Legislature to Increase general revenue funds paid to Medicaid-certified nursing homes, combined with a payment methodology that includes financial incentives and accountability by both managed care and providers to improve the quality of care provided to Medicaid-eligible residents, focus regulations on resident care, and maintain needed access to long-term care for Medicaid-eligible individuals.

Resolution R018 is ranked as Priority #4 out of 54 total resolutions adopted during our 2020 Legislative Session. A copy of Resolution R018 is attached along with a copy of the TSHL brochure which highlights TSHL's vision statement, purpose and goals, membership, committee composition and leadership.

To start, Medicaid reimbursement to nursing homes is a serious issue with no cheap fix. Texas pays one of the very lowest rates of Medicaid reimbursement to nursing home providers in the entire United States. The longstanding underfunding of Medicaid nursing home care makes it impossible to provide the needed level of staffing, professional development, culture of full engagement by residents and staff, make upgrades to medical equipment, and renovate existing buildings. In fact, according to LeadingAge Texas, the low rates have forced some nursing homes to either close or reduce the percentage of Medicaid-eligible residents they serve.

TSHL members recognize that revenues coming into the State coffers are significantly reduced as a result of factors associated with the Covid-19 pandemic. But those reductions do not diminish the desperate need to incentivize and pay for enhanced quality of resident care and quality of life while protecting residents, staff, and visitors from Covid-19. TSHL members also recognize that add-on payments have been made to providers to cover the costs of ongoing Covid-19 testing, PPE, and added infection prevention. To ensure continued protections, these payments must continue as long as infection prevention and control guidance continue.

Compassionate, capable staff are needed seven days a week in greater numbers across all disciplines and all shifts if we expect to enhance quality of care and quality of life in Texas nursing homes. The entire Medicaid-eligible nursing home population has medical necessity and a major portion also live with some degree of cognitive impairment, and many have behavioral health needs, and all have emotional, social, and spiritual needs. To more effectively meet these often-challenging care needs, we must increase reimbursement and further incentivize staffing and enhanced professionalism in nursing homes; of direct-care staff in particular.

The current level of Texas Medicaid reimbursement does not permit a livable wage to be paid to direct-care nursing staff members. And, in homes serving a high percentage of Medicaid-eligible individuals, the low reimbursement drives down staffing numbers and drives up staff turnover. Resulting staff turnover is a serious problem in Texas reaching 90% and higher according to Texas Health Care Association leadership. High staff turnover is expensive and exhausting for everyone and makes consistent assignment of staff to the same residents extremely difficult. Consistent assignment enhances resident-centered care and staff morale, enables direct-care staff to better know each resident's unique needs and abilities and offer more individualized care leading to better resident outcomes and improved quality of life. In addition to more money being earmarked for staffing, consistent assignment must be financially incentivized.

Ongoing and effective professional development for direct-care staff is needed on a range of topics from infection prevention and control to person-centered care approaches which recognize and support individual abilities and encourage independence. Excellent training curriculum designed for direct-care staff is available. But, given poor staffing, direct-care staff often do not have time in the day to actively participate in training or return demonstrate what they've learned. And, with the high turnover rate, there is little opportunity for follow-up training and coaching and typically, there is little or no financial incentive offered to staff to apply what they've learned.

While in-person family interaction in care-communities was largely prohibited during the peak of the Covid-pandemic, we can thank the amazing creativity, compassion, and extra hours worked by Activity Professionals, Recreational Therapists, Nurse Aides, and other nursing home professionals. Despite social distancing restrictions, these professionals strove to comfort residents and engage them in meaningful activities to generate a sense of fun and joy. Isolation, boredom, and loneliness are real problems for residents of nursing homes and have repeatedly been highlighted throughout 2020.

In closing, Texas must address the issue of Medicaid reimbursement for nursing homes and increase general revenue funds paid to Medicaid-certified nursing home providers, combined with a payment methodology that includes financial incentives and accountability by both managed care and providers to improve the quality of care provided to Medicaid-eligible residents, focuses regulations on resident care, and maintains needed access to long-term care for Medicaid-eligible individuals.

Members of the Texas Silver-Haired Legislature (TSHL) are available and ready to work with the Human Services Committee during the 87th Texas Legislative Session on the many aspects of this important and multi-faceted issue.

Respectfully submitted by:
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Texas Silver-Haired Legislature